

PRESENTATION TO THE
ADMINISTRATION AND REGULATION
APPROPRIATIONS SUBCOMMITTEE

FEBRUARY 1, 2001
MICHAEL L. FITZGERALD
TREASURER OF STATE

Activities, FTE's and Funding Sources
Organizational Chart
Summary of FY02 Budget Request

State Treasurer
Michael L. Fitzgerald

State Treasurer's Office
January 2001

Administrative Secretary

Deputy Treasurer

Executive Officer 3
Investment Officer 2
Investment Officer 1

Deputy Treasurer

Info Tech Specialist 5
Info Tech Specialist 4
Executive Officer 2
Accountant 3
Investment officer 2
Investment Officer 1
Acctg Tech 1
Admin Assistant 1
secretary 1

Deputy Treasurer

Executive Officer 4
Executive Officer 2
Investment officer 2
Investment Officer 1 (2)
Treasurer's Cashier
Secretary 1
Admin Assistant 1 (2)

TREASURER OF STATE OF IOWA
Summary of FY02 Budget Request
January 2001

D86 General Office Operations		
Department Request / Governor's Recommendation		\$982,627
Unclaimed Property Fund		\$281,532
Investment Income		\$168,587
Pension Funds		\$50,300
CSI Participants		\$68,955
Total Resources		<u>\$1,549,981</u>
Disposition of Resources		\$1,549,981
		25.8 FTE

D85 Office Furnishings		
FY2000 (Capitol Building)	Actual	\$25,000
FY2001	Actual	\$0
FY2002 Department Request		\$91,295
FY2002 Governor's Recommendation		\$0

D94 ICN Debt Service		
FY2000	Actual	\$12,861,000
FY2001	Actual	\$12,860,000
FY2002 Department Request / Gov Rec		\$12,805,000

Activities and Award\$

In addition to coursework, the UNI Real Estate Education sponsors a student organization especially for real estate students called Rho Epsilon. The club meets regularly with real estate professionals who talk about careers in the various areas of real estate. In addition, the Real Estate Program, in conjunction with Rho Epsilon, organizes tours of major employers of real estate graduates around the State of Iowa. These tours give students a first hand look at what is involved in different real estate careers.

A wide variety of scholarships are available for real estate students. The scholarships are based on need or merit and exist to encourage students to pursue careers in real estate. As many as 50% of Real Estate students receive some scholarship support.

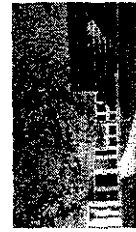
The UNI Real Estate Education Program works with and participates in the professional meetings of several industry associations. Students are encouraged to attend at little or no cost in order to learn from and network with industry professionals for internships and permanent employment.

The UNI Real Estate Education Program has an advisory council consisting of leading real estate professionals from Iowa and surrounding states. The Advisory Council exists to guide the Program to enhance the course of study and career opportunities of students. It meets twice per year. Students are invited to meet with these professionals.

Want to know more about the UNI Real Estate Education Program? Contact:

Dr. Arthur T. Cox, Director
Real Estate Education Program
University of Northern Iowa
Cedar Falls, Iowa 50614-0124
Voice: 319-273-6986
Email: Arthur.Cox@UNI.edu

Real Estate Education Program
University of Northern Iowa
Cedar Falls, Iowa 50614-0124
voice: 319-273-6096
Fax: 319-273-2922



The Real Estate Education Program

The University of Northern
Iowa

AACSB Accredited 1993

**University of
Northern
Iowa**



Real Estate Education Program
University of Northern Iowa
Cedar Falls, Iowa 50614-0124

The Real Estate Education Program

The **Real** Estate Education Program in the College of Business Administration at the University of **Northern** Iowa offers students a unique pathway to a variety of **challenging and** rewarding career options.

The Real Estate Program offers **both** a major **and** a minor in Real Estate. It is the only four year real estate degree program in the state of Iowa.

The Real Estate **Program** is designed to provide students **with the** educational background **and** decision making skills necessary to succeed in the modern real estate profession.

The **course** work prepares students for a number of careers in the real estate industry. Graduates are successfully employed in many facets of the financial industry. Some of the areas are:

- Appraisal **and** Investment Analysis
- Mortgage Banking **and** Mortgage Underwriting
- Loan Servicing
- ▶ Asset Management
- Property Management and Development
- ▶ Commercial and Residential Brokerage

Students are encouraged to participate in UNI's experiential learning program. One of its most popular **and successful features**, from the standpoint of post-graduate employment, is cooperative education. During a cooperative education experience students are employed **full** or part time in the real estate industry. The experience allows **the** student to learn first hand what **that career** is like **and** to apply classroom **learning** in a practical setting. Employment prospects for students **can** be enhanced significantly by cooperative education experience. About 75% of students participate at some point during their **undergraduate** career.

The Bachelor of Arts Degree Program

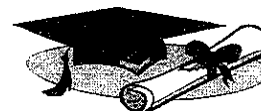
The UM **Real** Estate Education Program offers a full complement of courses that prepare the student for many different careers in the real estate profession. Students are given a firm foundation in the essential concepts of finance **and** real estate. They **learn** the critical decision making processes used by real estate professionals. The real estate courses emphasize the practical application of these concepts in careers.

All the real estate courses are approved by the Iowa Real Estate Commission. Courses can be used to satisfy **the prelicensing** education requirement for the real estate agent's license. In addition the courses are designed to help students pass certification examinations.

All students are required to complete a business core of 39 semester hours. There are 18 semester hours required in the **real estate** major itself.

Students who **earn an** Associate of Arts (AA) Degree at an Iowa public community college and meet all conditions of **the** articulation agreement (see UNI College of Business Administration Admission Policy) will satisfy the **UNI** General Education requirement with the following exceptions:

1. A course in Non-Western Cultures must be completed.
2. Capstone must be completed at **UNI after transferring** to UNI.



UNI Classes

- Required Finance Core: (6 semester hours)
 - ▶ 160: 161 Intermediate Financial Management
 - ▶ 160: 155 Advanced Financial Management
 - Real Estate Emphasis: (12 semester hours)
 - ▶ **160:140** Principles of Real Estate
 - ▶ **160:141** Real Estate Finance
 - ▶ **160:142** Real Estate Appraisal and Investment
 - ▶ **160:143** Real Estate Law and Brokerage
- . Additional hours as needed to total 124.

Real Estate Minor

A minor in real estate is also available. There are minors designed for both business **and** nonbusiness majors who have an interest in real estate. The real estate minor is intended to be completed at the same time as **the courses** a student is **taking** for their major. **The** real estate minor is desirable for students majoring in a number of other areas, some of which are: **accounting**, marketing, business management, construction management, geography, political science, public policy, communications, general studies, public administration, design, family and human services, and public relations.





To: Joint Administration and Regulation Appropriations Subcommittee

From: Arthur T. Cox, Director

Re: University of Northern Iowa Real Estate Education Program

Date: January 24, 2001

In 1988, UNI was approached by the Iowa Association of REALTORS to determine the university's willingness to create a Real Estate Education Program at UNI. Subsequent to this inquiry, the UNI Real Estate Education Program was created by legislation passed in 1989, House File 764, and an agreement between the University and the Iowa Department of Commerce, executed during March, 1990.

The mission of the UNI Real Estate Education Program is multifaceted. One goal is to enhance the general level of competence and professionalism of real estate professionals in the real estate industry in the state of Iowa. A second goal is to provide a quality educational experience for the students of the University of Northern Iowa to prepare them for careers in the real estate industry. A third goal is to facilitate economic development in the State of Iowa.

The primary vehicle for accomplishing the UNI Real Estate Program objectives is education. The main focus of education is toward undergraduate students of UNI. Four courses in real estate are required to be taken by all real estate majors. These courses are: Principles of Real Estate, Real Estate Appraisal and Investment, Real Estate Law and Brokerage, and Real Estate Finance. The balance of the curriculum includes UNI General Education requirements, College of Business Administration required core courses, and electives.

The UNI Real Estate Education Program has offered in the past, and may offer again in the future, continuing education courses in the form of real estate professional designation courses and continuing education courses in cooperation with industry associations such as the Iowa Association of REALTORS, the Certified Commercial Investment Members, the Appraisal Institute, and the Institute of Real Estate Management. It is expected, however, that undergraduate education will continue to be the primary focus of the Program.

Industry relations has been and continues to be an important aspect of the activities of the UNI Real Estate Program. The director has traveled extensively around the state of Iowa speaking to industry groups. In addition, the director has given a large number of interviews to print and broadcast media.

Many firms and other institutions have been instrumental in hiring graduates of the Real Estate Program. As a result the Program enjoys considerable interest on the part of students as they choose their academic major. A partial list of employers is attached. Currently 62 students are in the major degree program in Real Estate and 31 students are pursuing a minor in Real

Estate at the University of Northern Iowa. Furthermore, about 95% of the students in the Program are from Iowa. Based on the latest data available, about 85% of the graduates of the Program stay in Iowa upon graduation, This is above the University average. It is accurate to say the Program is training Iowa's students for careers in Iowa.

The UNI Real Estate Education Program trains students for a wide variety of careers in real estate. Real estate is broadly defined to include all aspects of decision making associated with land development, real asset management, finance, and brokerage as well as the management of relevant business activities. Such careers include: real estate appraisal, valuation, and investment analysis; land use decisions; mortgage banking, including loan origination, underwriting, and secondary market activities; real property leasing and management; real estate law and brokerage.

To date, a total of 141 students have graduated from the UNI Real Estate Education Program. The vast majority of these graduates have entered real estate, either in the commercial or residential areas. The reported salary for students graduating during the 1999-2000 academic year was \$20,000 to \$75,000. Since December of 1995, 46 students have been issued certificates allowing them to take the Real Estate Salespersons Licensing Examination. This illustrates a substantial number of our students have exhibited a serious desire to enter the brokerage and transactions part of the real estate industry. The UNI Real Estate Education Program strives to present all areas of real estate in a positive way to allow students to make their own decisions about their future careers in real estate.

Conducting high quality research supplements the educational efforts of the Program and serves the real estate industry. A number of projects have been completed or are currently in progress. Several projects have been directly supported by the industry. A listing of applicable research work by the current director is attached. Students are involved in conducting research when it is possible and appropriate. The attached list of projects shows several instances where students were involved. Through research projects, students are able to enhance their data collection, analysis, report writing, and presentation skills.

An important aspect of undergraduate education in real estate are internship work experiences. A large number of students have benefitted by being able to work for companies both large and small, by applying their classroom learning in the real world. Over one-half of our Real Estate students have at least one internship experience during their undergraduate education. Some have two and even three placements. During the 1999-2000 academic year, the last year for which data is available, there were 24 different real estate internships. The average hourly wage for those internships was \$8.34. Internships benefit both employers and students. Students gain real world experience that can't be acquired in the classroom, and they learn how to apply their education. In the end, our students become better students and better employees after graduation, for having had the cooperative education experience. Employers benefit by having an opportunity to see how a student might perform as a permanent employee without having to make a long term commitment and large up front expenditures.

Research Projects Completed or In Progress

Cox, Arthur, "The use of electronic information by real estate licensees"

Cox, Arthur, "Housing Preferences in Rural Iowa: A survey of a company workforce."

Cox, Arthur, "Real Estate Industry Regulation in the 1990's: Activities and Staffing in State Real Estate Commissions"

Cox, Arthur, "Contributors to Perceived Service Quality in Real Estate Brokerage: A follow-up report."

Cox, Arthur, "The Use of the Internet by Iowa Real Estate Licensees", for the Iowa Association of REALTORS.

Cox, Arthur, and Eileen St. Pierre, "Real Estate Industry Regulation in the 1990's: Activities and Staffing in State Real Estate Commissions", submitted to the American Real Estate Society Annual Meeting, March 29 - April 1, 2000, Santa Barbara, CA.. This paper has been accepted for presentation.

Cox, Arthur, and Robin Wagner, Opening the Door to Homeownership: Employer-Assisted Housing Programs, published by Homeward, Inc. Allison, Iowa, May 1999.

Cox, Arthur, "Contributors to Perceived Service Quality in Real Estate Brokerage", presented at the UNI College of Business Administration Research Seminar Series, October 2, 1998. Melissa Albers assisted in collected and assembling the data for this project.

Cox, Arthur, "Employer-Assisted Housing: Good Medicine for Economic Health", presented at the 1999 American Real Estate Society Annual Meeting, April 10, 1999, Tampa, Florida. Jessica Heilman assisted in collecting the data for this project.

Cox, Arthur, and Keny Studer, "The Accuracy and Effect of Property Tax Assessments", The Journal of Economics, Vol. 23, no. 2, 1997, pp. 11-20.

Cox, Arthur, "Commercial and Residential Property Valuation: The differential between market value and assessed value", presented at the 1997 Annual Meeting of the Missouri Valley Economic Association, March 1, 1997, St. Louis, Missouri.

Cox, Arthur, and Kerry Studer, "The Accuracy and Effect of Property Tax Assessments", presented at the 1996 Annual Meeting of the Missouri Valley Economic Association, Memphis, Tennessee, March 8, 1996.

Cox, Arthur, "Within Market Profitability of Banks in the State of Iowa", Journal of Economics, Vol. 20, no. 2, Fall 1994, pp. 63-69.

Cox, Arthur, "Within Market Profitability of Banks in the State of Iowa", presented at the 1994 Missouri Valley Economic Annual Meeting, St. Louis, Missouri, Feb. 25, 1994.

Okoruwa, A. Ason, and Cox, Arthur, "Profile of Mortgagors Choosing Adjustable Rate Versus Fixed Rate Mortgages: An Application of Discriminant Analysis", presented at the 1994 Missouri Valley Economic Annual Meeting, St. Louis, Missouri, Feb. 25, 1994.

Okomwa, A. Ason, Cox, Arthur, and Thompson, A. Frank, "The Treatment of Debt Financing for Capital Budgeting Decisions in Accounting, Finance and Real Estate Courses", The Appraisal Journal, April, 1994.

Cox, Arthur, Heilman, Kimberly, "The Relation Between Market Share and Profitability", at the 1993 Missouri Valley Economics Association, Memphis, TN, Feb. 25-28, 1993.

Cox, Arthur, "Employee Housing Preferences in Rural Iowa"

Cox, Arthur, "Real Estate Industry Regulation in the 1990's: Activities and Staffing in State Real Estate Commissions"

Cox, Arthur, "Contributors to Perceived Service Quality in Real Estate Brokerage"

Cox, Arthur, "Locational and Property Characteristics and the Ratio of Sale Price to Listing Price"

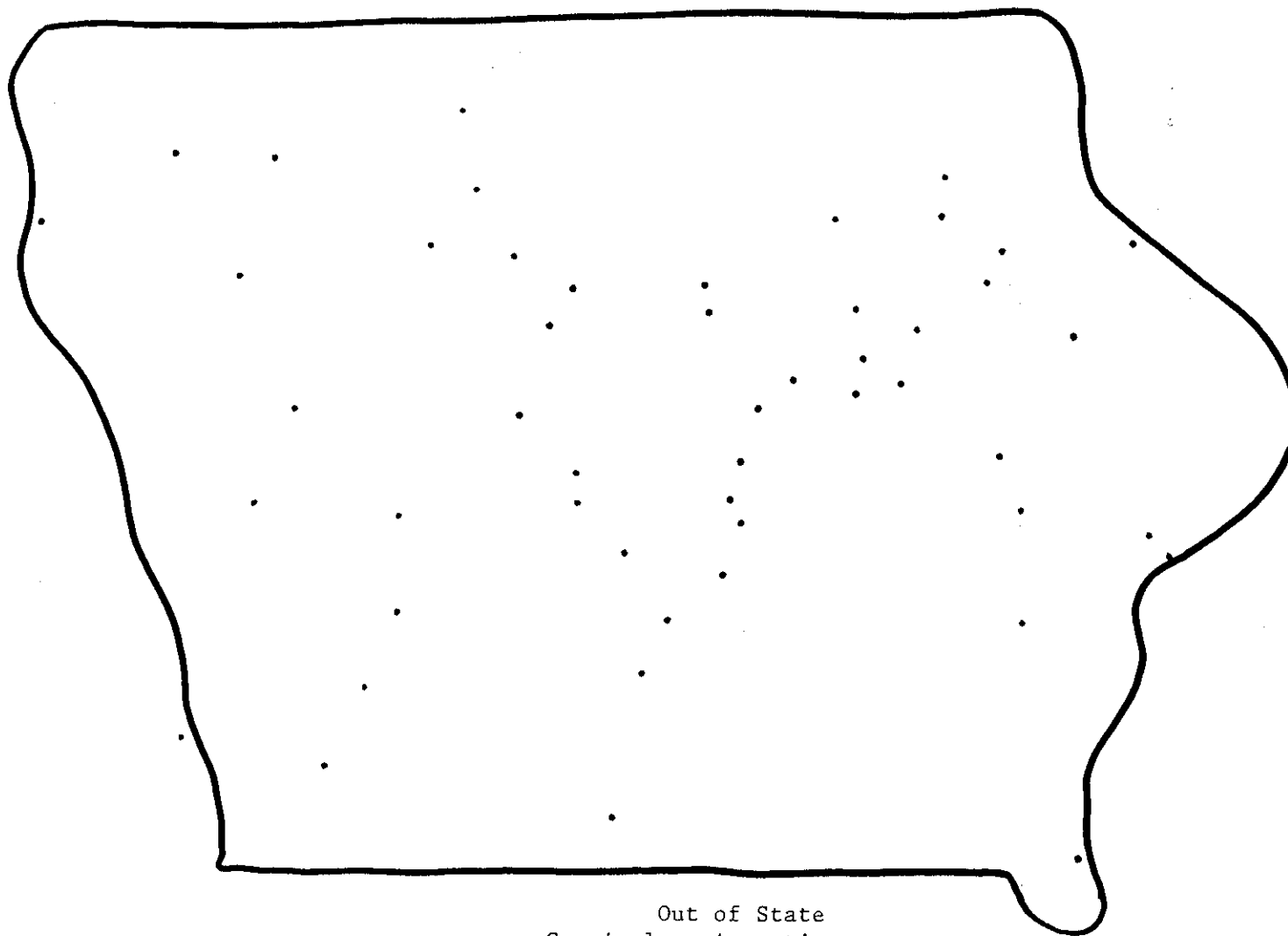
Cox, Arthur, "The Relation Between Assessed Value and Market Value"

List of Employers and Scholarship Providers

The Program has developed close ties with the various areas in the real estate industry. Currently, close relationships exist with a number of important firms, professional associations, and government entities. These organizations or individuals within them have hired students as interns or upon graduation, and/or have provided scholarship support for real estate students. A partial list would include:

- * The Iowa Association of REALTORS
- * The Iowa Chapter of the Appraisal Institute
- * The Iowa Chapter of Certified Commercial Investment Members
- * The Iowa Chapter of the Institute of Real Estate Management
- * The Mid-Continent Chapter of the Society of Industrial and Office REALTORS
- * The Amerus Group
- * Hubbell Realty
- * Iowa Realty
- * First Realty/GMAC Real Estate
- * Mel Foster Co.
- * Ruhl & Ruhl, Inc.
- * Iowa Realty Commercial
- * ReMax Home Group
- * Friedrich Iowa Realty
- * Hurd Real Estate Services
- * Ferguson Commercial Real Estate Services
- * Crowley and Associates Commercial Real Estate Services
- * Coldwell-Banker Mid-America Group, REALTORS
- * AustinOfficeSpace.com
- * The Welsh Companies
- * Skogman Realty
- * The Cedar Falls Real Estate Co.
- * Trapp and Associates, REALTORS
- * Mitzie Rekward Real Estate
- * Century 21 - Golden Cities REALTORS
- * Prima Terra Realty
- * Lake - Iowa Realty
- * A number of other real estate brokerage firms
- * The Principal Financial Group
- * AEGON USA
- * Midland Loan Services, Inc.
- * Midland Commercial Funding, Inc.
- * GMAC Mortgage
- * Ag Services of America, Inc.
- * AMRESO
- * Northland Capital
- * Kessinger/Hunter & Co.
- * LaSalle Bank

- * Banker's Trust Co.
- * Wells Fargo Bank
- * First Federal Savings Bank of Iowa
- * Iowa Community Credit Union
- * John Deere Community Credit Union, Des Moines and Waterloo offices
- * Union Planters Bank
- * Alliant Credit Union
- * Iowa Division of Banking
- * Avco Financial Services
- * Wells Fargo Financial Leasing
- * Iowa Appraisal and Research Corporation
- * Carlson-McClure-McWilliams, Inc.
- * Mike Lockey and Associates
- * Valuation Services
- * Koestner, McGivern and Associates
- * Real Estate Research Corporation
- * A number of other appraisal firms
- * Prairie Construction
- * R & R Realty Group
- * Tharaldson Enterprises
- * Eller Media Corp.
- * American Financial Management
- * First American Bank
- * Generations Financial
- * Johnson Financial Services
- * Prudential Financial Services
- * State Farm Insurance
- * United Fire and Casualty Co.
- * Cigna Healthcare
- * North East Iowa Agency
- * Homeward, Inc.
- * Operation Threshold
- * John Deere and Co.
- * Gehl TechServices, Inc.
- * The Black Hawk County Assessor's Office
- * City of Des Moines
- * Des Moines office of the U.S. Department of Housing and Urban Development/Federal Housing Administration,

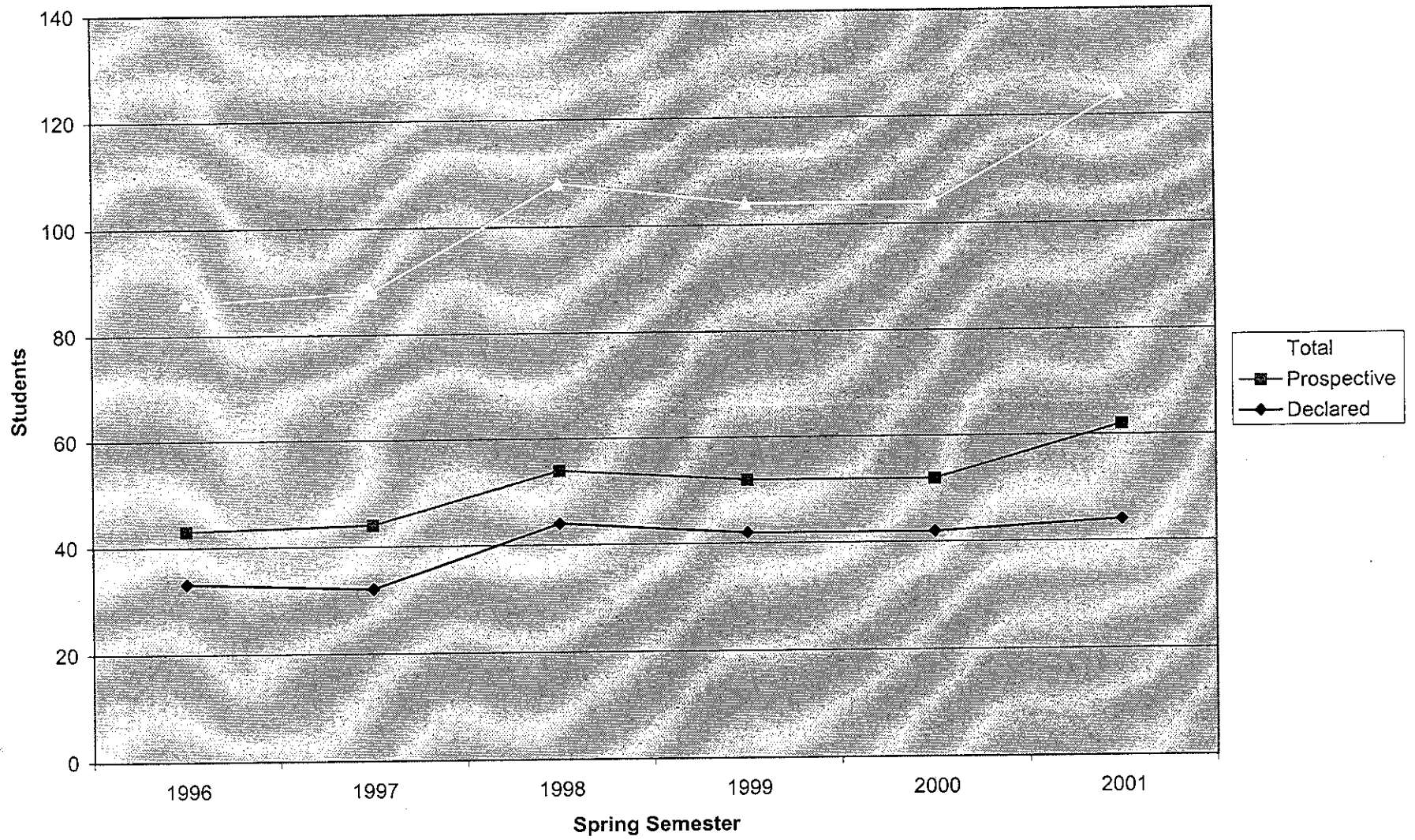


Out of State
Corrientes, Argentina
Howell, New Jersey
Omaha, Nebraska

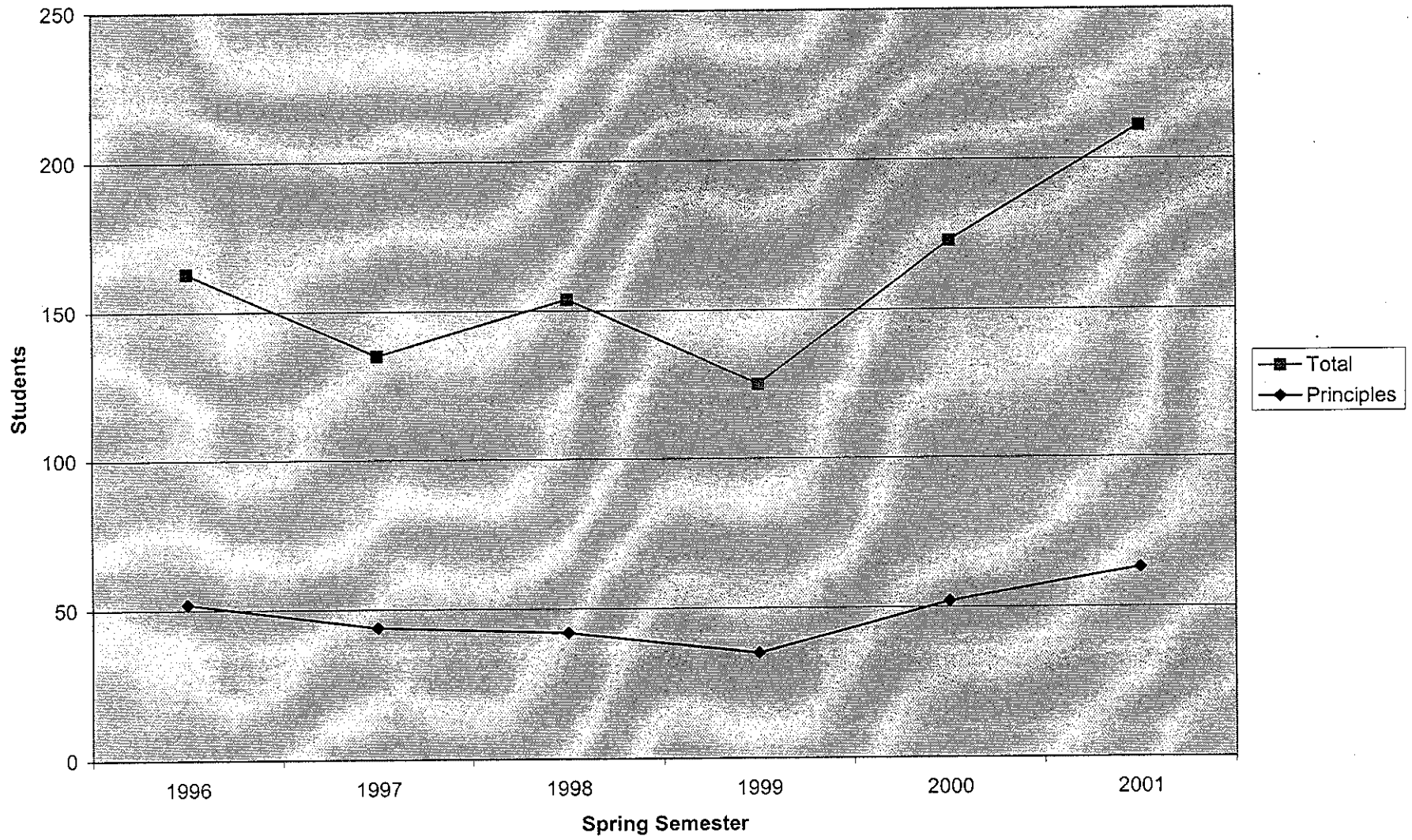
In State

Hawarden	Iowa City
Hartley	Eldridge
Spencer	Bettendorf
Cylinder	Conesville
Algona	Fort Madison
Cherokee	
Laurens	
Bradgate	
Goldfield	
Fort Dodge	
Breda	
Jefferson	
Denison	
Carroll	
Audubon	
Griswold	
Red Oak	
Garden Grove	
Prole	
Indianola	
Runnells	
Des Moines	
Urbandale	
Grimes	
Altoona	
Conrad	
Dike	
New Hartford	
Parkersburg	
Janesville	
Waverly	
Cedar Falls	
Waterloo	
Denver	
La Porte City	
Calmer	
Clarion	
Dows	
Nashua	
New Hampton	
Elkader	
Dubuque	
Earlville	
Cascade	
North Liberty	

Majors



Course Enrollment





THOMAS J. VILSACK
GOVERNOR
SALLY J. PEDERSON
LT. GOVERNOR

IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING & REGULATION
KATHLEEN B. "KAY" HALLORAN, ADMINISTRATOR

Iowa Real Estate Education Fund

543B.14, 543B.27 and 543B.54

Real Estate Salesperson Fee	\$75
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Real Estate Education Fund (40%)	30
(Regents (70%) \$21)	
(Education Director (30%) \$9)	

General Fund	45
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\$75

Real Estate Broker Fee	\$120
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Real Estate Education Fund (25%)	30
(Regents (70%) \$21)	
(Education Director (30%) \$9)	

General Fund	90
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\$120

Iowa Department of Commerce
Professional Licensing Division
Real Estate Education Transfers

FY	RE Educ. Receipts	UNI Transfer	RE Director
1990	\$ 141,537	\$ 99,076	\$ 42,461
1991	153,611	107,528	46,083
1992	155,789	109,052	46,737
1993	128,290	89,803	38,487
1994	147,320	103,124	44,196
1995	134,637	94,246	40,391
1996	124,890	87,423	37,467
1997	133,980	93,786	40,194
1998	123,270	86,289	36,981
1999	118,080	82,656	35,424
2000	130,590	91,413	39,177
	<u>\$1,491,994</u>	<u>\$1,044,396</u>	<u>\$447,598</u>